No. 18-302

IN THE

Supreme Court of the United States

ANDREI IANCU, UNDER SECRETARY OF COMMERCE FOR INTELLECTUAL PROPERTY AND DIRECTOR, PATENT AND TRADEMARK OFFICE,

Petitioner,

v.

ERIK BRUNETTI,

Respondent.

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

AMICUS CURIAE BRIEF OF THE INTERNATIONAL TRADEMARK ASSOCIATION IN SUPPORT OF RESPONDENT

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The undersigned amicus curiae respectfully submits this brief in support of Respondent Erik Brunetti, and urges affirmance of the decision below in *In re Brunetti*, 877 F.3d 1330 (Fed. Cir. 2017).[1]

INTERESTS OF THE *AMICUS CURIAE*

Amicus curiae the International Trademark Association ("INTA") is a not-for-profit global organization dedicated to the support and advancement of trademarks and related intellectual property. Founded in 1878, INTA has more than 7,200 member organizations from 191 countries. Its members include trademark and brand owners, as well as law firms and other professionals who regularly assist in the creation, registration, protection, and enforcement of trademarks. All INTA members share the goal of promoting an understanding of the essential role that trademarks play in fostering effective commerce, fair competition, and informed decision-making by consumers.

INTA (formerly known as the United States Trademark Association) was founded in part to encourage the enactment of federal trademark legislation following invalidation on constitutional grounds of the United States' first trademark act. Since then, INTA has

1. Pursuant to Supreme Court Rule 37.6, this brief was authored solely by INTA and its counsel, and no part of this brief was authored by counsel for a party. No party or counsel for a party, nor any other person or entity other than *amicus curiae*, its members, and its counsel, made a monetary contribution intended to fund the preparation or submission of this brief. Pursuant to Supreme Court Rule 37.3(a), both Petitioner and Respondent have provided written consent to INTA's filing of this brief.

been instrumental in making recommendations and providing assistance to legislators in connection with major trademark and related legislation. INTA also has participated as *amicus curiae* in numerous cases in this Court and other courts across the country involving significant Lanham Act issues.[2] Moreover, INTA's members are frequent participants in litigations, both

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2. Cases in which INTA has filed amicus briefs include: *Mission Product Holdings, Inc. v. Tempnology, LLC*, 139 S. Ct. 397 (petition for certiorari granted Oct. 26, 2018); *Fourth Estate Pub. Benefit Corp. v. Wall-Street.com, LLC*, 568 U.S. ___ (2019); *Matal v. Tam*, 137 S. Ct. 1744 (2017); *Hana Fin., Inc. v. Hana Bank*, 135 S. Ct. 907 (2015); *B&B Hardware, Inc. v. Hargis Indus., Inc.*, 135 S. Ct. 1293 (2015); *Pom Wonderful LLC v. Coca-Cola Co.*, 573 U.S. 102 (2014); *Already, LLC v. Nike, Inc.*, 568 U.S. 85 (2013); *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111 (2004); *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23 (2003); *Moseley v. V Secret Catalogue, Inc.*, 537 U.S. 418 (2003); *TrafFix Devices, Inc. v. Mktg. Displays, Inc.*, 532 U.S. 23 (2001); *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205 (2000); *Fla. Prepaid Postsecondary Educ. Expense Bd. v. Coll. Sav. Bank*, 527 U.S. 627 (1999); *Dickinson v. Zurko*, 527 U.S. 150 (1999); *Qualitex Co. v. Jacobson Prods. Co.*, 514 U.S. 159 (1995); *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763 (1992); *K Mart Corp. v. Cartier, Inc.*, 486 U.S. 281 (1988); *Shammas v. Focarino*, 784 F.3d 219 (4th Cir. 2015); *Ferring B.V. v. Watson Labs., Inc.-Fla.*, 764 F.3d 1382 (3d Cir. 2014); *Christian Louboutin S.A. v. Yves Saint Laurent Am. Holding, Inc.*, 696 F.3d 206 (2d Cir. 2012); *Rosetta Stone Ltd. v. Google, Inc.*, 676 F.3d 144 (4th Cir. 2012); *Fleischer Studios, Inc. v. A.V.E.L.A.*, Inc., 654 F.3d 958 (9th Cir. 2011); *Levi Strauss & Co. v. Abercrombie & Fitch Trading Co.*, 633 F.3d 1158 (9th Cir. 2011); *Chloe v. Queen Bee of Beverly Hills, LLC*, 616 F.3d 158 (2d Cir. 2010); *Starbucks Corp. v. Wolfe's Borough Coffee, Inc.*, 588 F.3d 97 (2d Cir. 2009); *ITC Ltd. v. Punchgini, Inc.*, 482 F.3d 135 (2d Cir. 2007); *Louis Vuitton Malletier S.A. v. Haute Diggity Dog, LLC*, 507 F.3d 252 (4th Cir. 2007); *Test Masters Educ. Servs., Inc. v. Singh*, 428 F.3d 559 (5th Cir. 2005).

in courts and in administrative proceedings before the United States Patent and Trademark Office ("PTO") and the Trademark Trial and Appeal Board ("TTAB"), with respect to the Lanham Act. INTA and its members have a deep and powerful interest in the development of clear, consistent, and equitable principles of trademark law, and in fair and consistent rules on the registration of trademarks.

This case presents an issue of core concern to INTA and its members: What trademarks are and are not registrable under the Lanham Act. Brand owners invest significant time, effort, and expense in developing and clearing trademarks for federal registration. Such registration adds important procedural protections and remedies to the substantive trademark rights that are conferred by common law. In deciding whether to invest in developing and clearing a mark that will obtain federal registration, trademark owners need clear guidance about what the PTO will and will not allow. Trademark owners also need the First Amendment freedom to choose a wide range of marks, responding over time to evolving consumer tastes without fear that their efforts will founder on the unpredictable, archaic, and unconstitutional "immoral ... or scandalous" provision of Section 2(a) of the Lanham Act ("immoral or scandalous provision"). 15 U.S.C. § 1052(a).

SUMMARY OF ARGUMENT

The immoral or scandalous provision in Section 2(a) of the Lanham Act regulates the registration of trademarks. Trademarks—including marks that include or consist of offensive terms, like the FUCT mark at issue in this case—are commercial speech because their entire

purpose is to propose commercial transactions. They tell consumers, "Come buy this branded car, or shirt, or smartphone, or ride on this airline or visit this theme park. This brand name, this logo, this slogan, all assure you up front that you are getting goods and services from a particular source that promises you things of a certain nature and quality."

Trademark law protects only the commercial aspects of trademarks. It does not also protect any expressive components. Appropriately, trademarks have been treated as commercial speech long before the spotlight shone upon them by this case. For these reasons, trademarks are commercial speech, and intermediate scrutiny applies to Section 2(a).

Strict scrutiny would apply only if the government were fully restricting speech, which is not the case here. Federal trademark registration offers many benefits, including conferring prima facie evidence of the validity of the registered mark and preventing the importation into the United States of articles bearing a counterfeit mark, among others. Trademarks still can exist in the market and be protected under common law, even if registration under the Lanham Act is denied. As a result, the government action involved in this case is not a full restriction. Intermediate scrutiny is thus the appropriate standard of review. This is especially so given that intermediate scrutiny leaves Congress and individual trademark owners the ability to effectively police infringement.

Under the intermediate scrutiny test that applies to commercial speech, as articulated by the Court in

Central Hudson Gas & Electric Corp. v. Public Service Commission of New York, 447 U.S. 557 (1980), the immoral or scandalous provision is unconstitutional. This four-part test asks whether (1) the speech concerns lawful activity and is not misleading; (2) the asserted government interest is substantial; (3) the regulation directly advances that government interest; and (4) the regulation is not more extensive than necessary. Although the government meets the first prong, it fails the remaining three.

With respect to the second factor, the government's only stated interests relate to protecting the public from immoral and scandalous speech, promoting the orderly flow of commerce, and avoiding any appearance of government approval through registration of such marks. The Court already has ruled that the purported government interest in protecting the public is inadequate, so the first interest cannot be deemed substantial. Nor can the government's interest in promoting the orderly flow of commerce be deemed a substantial interest, since trademarks serve only to identify a brand through its source indicator. Just because customers may find "immoral" or "scandalous" marks to be shocking does not minimize the strength of the marks as source indicators. Further, as the Court recently held in *Tam*, 137 S. Ct. at 1760, trademarks are not government speech. The government therefore has no interest, substantial or otherwise, in dissociating itself from the trademarks it registers.

With respect to the third factor, the government fails to demonstrate that the provision is capable of advancing any of its purported interests. The provision cannot protect public sensibilities since the public is exposed to offensive content in many other contexts besides trademarks. Nor

can the government interest of protecting the orderly flow of commerce be advanced through the provision; the provision does not and cannot prohibit the use of scandalous or immoral trademarks in commerce because the denial of registration does not prevent the use of the marks at issue in commerce. Finally, even if trademark registrations were deemed a form of government speech, there is no support for the argument that the general public would associate trademarks with the government. Thus, the provision would not further the government's interest in disconnecting itself from trademarks of which it does not approve.

Moreover, the immoral or scandalous provision of Section 2(a) of the Lanham Act is so inherently vague, and has been so inconsistently applied that the government cannot credibly argue that the provision directly advances any interests it may have. The statutory language consists only of the bare words "immoral" and "scandalous," leaving the PTO with little, if any, guidance and resulting in wildly inconsistent PTO actions. As a result, nearly identical marks containing the same provocative terms have been approved in some cases and rejected in others.

With respect to the fourth factor, the government has not demonstrated, and cannot demonstrate, that the provision is narrowly tailored to further its interests. Primarily, the provision is facially overbroad, reaching some trademarks that are innocuous and only potentially offensive. The very process by which PTO examiners review trademark applications for "immoral ... or scandalous" language is extremely subjective, leaving determinations about morality and scandalousness in the hands of the individual examiners who have varying

beliefs about the subjects. Such erratic application of this provision confirms that the provision has not been carefully tailored.

Because the government fails three out of the four prongs under the intermediate scrutiny analysis, the immoral or scandalous provision is unconstitutional and should be invalidated. For similar reasons, the provision is also unconstitutional as void for vagueness.

The government likewise cannot justify this unconstitutional statute by labeling it as part of the spending power. This approach would allow the government to impose conditions on the receipt of federal funds. Trademark registration does not implicate Congress's powers to spend or control government funds or property and therefore does not relate to the government's spending power.

ARGUMENT

I. Section 2(a) Cannot Survive Intermediate Scrutiny, Which Is The Appropriate Standard Of Review

The threshold issue is what standard of review applies to Section 2(a) for purposes of assessing its constitutionality: Is the provision a complete limitation on expressive speech, carrying independent political or cultural viewpoints and significance, such that it should be subject to strict scrutiny? Or is the provision a regulation on commercial speech, *i.e.* "speech proposing a commercial transaction," *Cent. Hudson*, 447 U.S. at 562, that would deny registration but still allow common law trademark protection, thereby warranting the less rigorous standard of intermediate scrutiny?

INTA believes strongly that trademarks are commercial speech, on which Section 2(a) does not impose a complete restriction. INTA thus urges the Court to clarify that intermediate scrutiny is the correct framework, not strict scrutiny as the Federal Circuit held. INTA further urges the Court to confirm the result below—that is, to hold that the "immoral ... or scandalous" restriction of Section 2(a) fails intermediate scrutiny.

A. Intermediate Scrutiny Is The Appropriate Standard Of Review

1. Trademarks Are Commercial Speech, Restrictions On Which Are Subject To Intermediate Scrutiny

Trademarks are quintessential commercial speech. In federal law, they are defined as commercial designations used to "identify and distinguish" goods. 15 U.S.C. § 1127. In the real world, trademarks do the same thing: They are brand names, logos, slogans, and other designations that quickly tell a consumer that a product or service comes from Company A rather than Company B. *Park 'N Fly, Inc. v. Dollar Park and Fly, Inc.*, 469 U.S. 189, 191 n.1 (1985) ("The Lanham Act defines a trademark to include 'any word, name, symbol, or device or any combination thereof adopted and used by a manufacturer or merchant to identify his goods and distinguish them from those manufactured or sold by others.'") (citation omitted). Consumers know that the Crest toothpaste brand from Procter & Gamble can be counted on for oral hygiene; that under McDonalds' Golden Arches they will always find a Big Mac hamburger with reliable taste and quality; that the Nike swoosh is a reliable promise of

high-quality fitness gear and apparel; and that an Apple computer product can be counted on for sleek design and high performance. Any American consumer could instantly provide many more such examples. Simply put, trademarks are what enable consumers to "identify [the] goods and services that they wish to purchase, as well as those they want to avoid." *See Matal v. Tam*, 137 S. Ct. 1744, 1751 (2017) (citations omitted).

The Lanham Act generally does not create substantive trademark rights. Rather, the Lanham Act provides a system of federal registration and enforcement for trademark rights that arise at common law. *See Tam*, 137 S. Ct. at 1751-52 ("[w]ithout federal registration, a valid trademark may still be used in commerce [and] may still be enforceable") (citation omitted). The advantages of federal registration include, but are not limited to: (1) conferring federal jurisdiction over infringement disputes without any required amount in controversy; (2) the availability of statutory damages for certain infringements in federal court; (3) prima facie evidence of the validity of the registered mark, of the registration of the mark, and of the registrant's exclusive right to use the mark; (4) the opportunity for a mark to become "incontestable," and to provide conclusive evidence of the registrant's exclusive right to use the mark; (5) constructive notice of a claim of ownership; (6) "constructive use date" as of the filing date of the application; and (7) prevention of the importation into the United States of articles bearing a counterfeit mark. J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 19:9 (5th ed. 2019) ("McCarthy"). This Court should confirm the principle, well-settled even before *Tam*, that trademarks inherently are commercial speech. *See Friedman v. Rogers*, 440 U.S.

1, 11 (1979) ("the trade name is used as part of a proposal of a commercial transaction" and the use of a trade name "is a form of commercial speech and nothing more") (citations omitted); *S.F. Arts & Athletics, Inc. v. U.S. Olympic Comm.*, 483 U.S. 522, 535-36, (1987) (regulation of the use of trademarks involves commercial speech, even if there are expressive components to the speech). Indeed, "[t]he power of the federal government to provide for trademark registration comes only under its 'Commerce Power.'" 1 McCarthy § 5:3.

The correctness of intermediate scrutiny as the appropriate standard is reinforced by the settled rule that, even when a trademark includes content with some expressive character, registration under the Lanham Act protects only the mark's source-identifying function. In *San Francisco Arts & Athletics, Inc. v. United States Olympic Committee*, the petitioner sought to incorporate under the name "Golden Gate Olympic Association," to promote the "Gay Olympic Games," which the lower courts concluded infringed on the tra lemark rights of the U.S. Olympic Committee ("USOC"). *S.F. Arts*, 483 U.S. at 525. (Federal protection for those rights arose not under the Lanham Act but under the analogous provisions of Section 110 of the Amateur Sports Act—for present purposes, a distinction without a difference.) The petitioner argued that the statute suppressed political speech because "its use of the word 'Olympic' was intended to convey a political statement about the status of homosexuals in society." *Id.* at 535. The Court disagreed; it ruled that any expressive uses associated with "Gay Olympic Games" did not transform the exercise of rights under the Amateur Sports Act into regulation of expressive speech. *See id.* at 536. Instead, "[b]y prohibiting the use of one word for

particular [trademark] purposes, neither Congress nor the USOC has prohibited the [petitioner] from conveying its message," as evidenced by the fact that the petitioner still held its athletic event under the names "Gay Games I" and "Gay Games II." *See id.* Thus, the provision restricted "only the manner in which the [petitioner] may convey its message." *Id.*

Similarly, Section 2(a) of the Lanham Act does not regulate any expressive message of a trademark, only the registration of the trademark itself. *See Cent. Hudson*, 447 U.S. at 562 n.5 (according "full First Amendment protection to [commercial speech that includes expressive elements] . . . would blur further the line the Court has sought to draw in commercial speech cases"); *Bd. of Trs. of State Univ. of N.Y. v. Fox*, 492 U.S. 469, 474 (1989) (strict scrutiny applies only to that commercial speech which is "inextricably intertwined" with expressive speech; where "there is nothing whatever 'inextricable' about the noncommercial aspects," strict scrutiny is not warranted).

Indeed, trademark law protects only those elements in a mark that have brand significance. For example, "merely descriptive" words are not registrable unless, through use in commerce, they take on a new, secondary meaning—as identifiers of source. 15 U.S.C. §§ 1052(e)-(f); *Park 'N Fly*, 469 U.S. at 194 ("A 'merely descriptive' mark ... may be registered only if the registrant shows that it has acquired secondary meaning."). To the extent an expressive component of a mark is deceptive, the PTO can refuse registration on that basis consistent with constitutional principles. *See, e.g., Bolger v. Youngs Drug Prods. Corp.*, 463 U.S. 60, 65 (1983) ("In light of the greater potential for deception . . . content-based

restrictions on commercial speech may be permissible.") (citations omitted); *In re Budge Mfg. Co.*, 857 F.2d 773 (Fed. Cir. 1988), *aff'g* 8 U.S.P.Q.2d 1790 (T.T.A.B. 1987) (LOVEE LAMB mark held deceptive for automobile seat covers not made of lambskin but rather of "simulated sheepskin."); *In re Bacardi & Co.*, 48 U.S.P.Q.2d 1031, 1035 (T.T.A.B. 1998) (refusing registration of HAVANA CLUB mark for non-Cuban rum on the ground that the mark is primarily geographically deceptively misdescriptive).

For all of these reasons, trademarks are commercial speech, and restrictions like those at issue here should receive intermediate scrutiny. As discussed in Section I(B) below, the restriction on "immoral" and "scandalous" marks fails intermediate scrutiny and the Court should confirm its invalidation on that basis.

2. Strict Scrutiny Is Not Warranted Here

Because Section 2(a) does not suppress speech, but only denies registration of certain types of trademarks, strict scrutiny is not appropriate here.

As described above, the Lanham Act generally does not confer substantive trademark rights. In fact, "[w]ithout federal registration, a valid trademark may still be used in commerce" and "can be enforced against would-be infringers in several ways." *Tam*, 137 S. Ct. at 1752 (citations omitted).[3] The denial of the registration

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3. Regardless of federal registration, a trademark still can be protected and enforced under Section 43(a) of the Lanham Act, which gives rise to an actionable claim for use of "*any* word, term, name, symbol, or device, or *any* combination thereof, or

therefore does not prevent Mr. Brunetti from using the term "fuct," either generally or as a mark. This confirms that intermediate scrutiny is the First Amendment standard to be applied. *Davenport v. Washington Educ. Ass'n*, 551 U.S. 177, 188 (2007) (where the "risk [of the government's interference with protected speech] is inconsequential . . . strict scrutiny is unwarranted"). Because the trademark system presents little or no risk of the suppression of speech—particularly the suppression of speech at the core of the First Amendment, such as political speech—there is no basis in precedent or policy for applying strict scrutiny here.

Strict scrutiny historically has been reserved for regulations that "pose such inherent dangers to free expression, or present such potential for censorship or manipulation, as to justify application of the most exacting level of First Amendment scrutiny." *Turner Broad. Sys., Inc. v. F.C.C.*, 512 U.S. 622, 661–62 (1994) (applying intermediate scrutiny to must-carry provisions of Cable Television Consumer Protection and Competition Act of 1992). Here, Section 2(a) does not pose an "inherent danger[] to free expression" because it does not suppress use of "immoral ... or scandalous" trademarks.

INTA acknowledges that there is arguably a content-based aspect to the PTO's refusal to register a purportedly "immoral" or "scandalous" mark. *See Sorrell v. IMS*

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any false designation of origin, false or misleading description of fact, or false or misleading representation of fact." 15 U.S.C. 1125(a)(1) (emphasis added). Accordingly, Section 43(a) remains a viable cause of action against infringers of immoral or scandalous marks, regardless of those marks' ability to be registered under Section 2(a).

Health Inc., 564 U.S. 564, 566-67 (2011) (content-based regulations on commercial speech involve "a regulation of speech because of disagreement with the message it conveys.") (citations omitted). Registration would be permitted but for the PTO's judgment that the substantive message of the mark crosses a boundary. Still, the refusal ultimately is only a restriction on the manner by which the applicant can propose a commercial transaction—not a restriction on the proposal itself. The applicant is allowed to speak the offensive content; it just cannot tell the market that its mark is federally registered (such as by displaying the ® symbol next to its mark). Intermediate scrutiny therefore is the appropriate test. *See Cent. Hudson*, 447 U.S. at 562 n.5 (rejecting application of "full panoply of First Amendment protections" to expressive speech "made only in the context of commercial transactions").[4] Of course, anything that fails intermediate scrutiny will also fail strict scrutiny, so the choice of standards, while analytically important, is not outcome-determinative here. *See Sorrell*, 564 U.S. at 571 ("[T]he outcome is the same whether a special commercial speech inquiry or a stricter form of judicial scrutiny is applied.") (citations omitted).

Strict scrutiny exists to protect the ability to engage in core speech, such as political expression, *McIntyre v. Ohio Elections Comm'n*, 514 U.S. 334 (1995) (Ohio's statutory prohibition against distribution of any anonymous campaign literature failed strict scrutiny and violated the First Amendment); the ability to protest, *Texas v.*

4. In *Sorrell*, the Court held that heightened scrutiny applied to content-based regulations on commercial speech. 564 U.S. at 566. Unlike as in *Sorrell*, the regulation here imposes no more than an incidental burden on speech, for the reasons discussed above.

Johnson, 491 U.S. 397 (1989) (conviction for burning the American flag is inconsistent with the First Amendment); and freedom of the press, *Arkansas Writers' Project, Inc. v. Ragland*, 481 U.S. 221 (1987) (state sales tax regime that taxed general interest magazines but exempted newspapers and religious, professional, trade, and sports journals violated First Amendment's freedom of press guarantee). It does not apply here.

B. Section 2(a) Cannot Survive Intermediate Scrutiny

As a regulation of commercial speech, Section 2(a) is reviewed according to the intermediate scrutiny framework established in *Central Hudson*. This four-part test asks whether (1) the speech concerns lawful activity and is not misleading; (2) the asserted government interest is substantial; (3) the regulation directly advances that government interest; and (4) the regulation is "not more extensive than necessary to serve that interest." *Cent. Hudson*, 447 U.S. at 566. INTA acknowledges that the immoral or scandalous provision passes muster under the first prong of the *Central Hudson* test: The trademarks here relate to lawful activity, and the proposed restriction on them is not based on any assertion that they are misleading. *See In re Brunetti*, 877 F.3d 1330, 1350 (Fed. Cir. 2017). Rather, the immoral or scandalous provision "is concerned with whether a mark is offensive, scandalous, or vulgar." *Id.* But the government has not shown, and cannot show, that Section 2(a) satisfies the remaining prongs under *Central Hudson*. *See Sorrell*, 564 U.S. at 571-72 ("Under a commercial speech inquiry, it is the State's burden to justify its content-based law as consistent with the First Amendment.") (citations omitted).

1. The Government Does Not Have A Substantial Interest In Prohibiting The Registration Of "Immoral" Or "Scandalous" Trademarks

The government appears to assert three possible interests in restricting the registration of "immoral" or "scandalous" marks: (a) protection of public order and morality; (b) protection of the orderly flow of commerce; and (c) the proposition that trademarks are a form of government rather than private speech. None of these arguments has any merit.

a. The Government Has No Substantial Interest In Protecting Public Order And Morality Through The Trademark Registration System

The government argues that its interest in not registering immoral and scandalous marks is to protect "the sensibilities of the public." Brief for Petitioner at 32-33, *Iancu v. Brunetti*, No. 18-302 (Jan. 4, 2019) ("Government Brief"). That argument does not pass constitutional muster. As this Court has held, a purported government interest in protecting the public from offensive speech is not an adequate basis for restricting speech. *Tam*, 137 S. Ct. at 1751 (it is a "bedrock First Amendment principle" that "[s]peech may not be banned on the ground that it expresses ideas that offend"); *see also id.* at 1767 (Kennedy, J., concurring) ("the Court's cases have long prohibited the government from justifying a First Amendment burden by pointing to the offensiveness of the speech to be suppressed"). Indeed, "the public expression of ideas may not be prohibited merely because the ideas

are themselves offensive to some of their hearers." *Id.* at 1763 (Alito, J., concurring) (quoting *Street v. New York*, 394 U.S. 576, 592 (1969) and collecting cases); *id.* at 1767 (Kennedy, J., concurring) (citing Justice Alito's opinion at 1773-64); *see also Johnson*, 491 U.S. at 414 ("If there is a bedrock principle underlying the First Amendment, it is that the government may not prohibit the expression of an idea simply because society finds the idea itself offensive or disagreeable.").

b. Protecting The Orderly Flow Of Commerce Is Not A Legitimate Governmental Interest In This Context

The government further asserts an interest in ensuring the orderly flow of commerce, but this too is without merit. According to the government, scandalous marks disrupt the marketplace, "making commercial transactions less efficient." Government Brief at 34. The argument fails for two reasons.

First, the argument is counterfactual by any measure. The Victorian era ended long ago. Yet the government's brief seems to imagine a world in which decorous matrons are bringing commerce to a halt by collapsing in store aisles at the sight of a provocative brand name. That is simply not the world where trademark owners and their customers actually live. It is well-settled that imagined disturbances to public order cannot support restrictions on protected speech. *See Tinker v. Des Moines Indep. Cmty. Sch. Dist.*, 393 U.S. 503, 508 (1969) ("undifferentiated fear or apprehension of disturbance is not enough to overcome the right to freedom of expression").

Second, as the government acknowledges, the "predominant function" of a trademark is not to maintain public order in the marketplace, but simply to allow customers to easily identify and distinguish the source of goods or services. *Wal-Mart Stores, Inc. v. Samara Bros.*, 529 U.S. 205, 212 (2000). Even if some customers do actually find "immoral ... or scandalous" marks to be shocking, that does not mean the marks are any less strong as source indicators. Common sense actually suggests the opposite: "marks with shock value can bring tremendous attention to a brand." B. Iverson, *Matal v. Tam*: What's New and What to Watch in Registration of Disparaging, Immoral, and Scandalous Trademarks, IP Watch Dog (Sept. 28, 2018), http://www.ipwatchdog.com/2018/09/28/matal-v-tam-turns-disparaging-immoral-scandalous-trademarks/id=101469/ (noting that brands like Dirty Dick's Crab House and French Connection UK, which uses FCUK on clothing, have leveraged this "shock value" in their advertising to bring more attention to their brands); *see also* DIRTY DICKS, Reg. No. 2,087,524 (registered for restaurant services); FCUK, Reg. No. 5,301,912 (registered for clothing). Far from interrupting the flow of commerce, such marks have succeeded in drawing attention to their brands and becoming powerful source indicators, thereby supporting efficient commerce.

c. Restrictions On Trademark Registrations Cannot Be Overcome By Mischaracterizing Trademarks As The Appearance Of Government Speech

Nor can the "immoral" or "scandalous" restrictions be justified by characterizing trademarks as the equivalent

of government speech. *See* Government Brief at 34 (arguing that "the government has a legitimate interest in avoiding not just the 'reality,' but also the 'appearance,' of government approval of vulgar speech"). Trademarks originate with the private parties that create them. Through the federal trademark system, the government is not speaking, but simply providing an administrative system for registration and enforcement. *See Tam*, 137 S. Ct. at 1760 ("Trademarks are private, not government, speech.").

Moreover, the government should not attempt to speak on behalf of all consumers by deciding, on the basis of the immoral or scandalous provision, which marks should enjoy the benefit of registration. In our time-honored capitalist system, picking winners and losers among trademarked goods and services is a decision for consumers themselves. If a trademark is offensive to the public, consumers may respond by not purchasing the product or service. In turn, any product or service that cannot support itself in the market will be unable to sustain federal registration, since marks that are not in use lose their right to a trademark registration. *See United Drug Co. v. Theodore Rectanus Co.*, 248 U.S. 90, 97 (1918) ("the right to a particular mark grows out of its use, not its mere adoption"); 15 U.S.C. § 1051 (mark cannot be registered unless it is used in commerce); 15 U.S.C. § 1058 (registrations will be cancelled if registrant fails to file an affidavit confirming the mark remains in use in commerce).

2. Even If The Government Had A Substantial Interest, The Immoral Or Scandalous Provision Does Not Advance That Interest

The immoral or scandalous provision of Section 2(a) of the Lanham Act does not advance any substantial interest the government may have here. This prong of *Central Hudson* requires the government to "demonstrate that the harms it recites are real and that its restriction will in fact alleviate them to a material degree." *Edenfield v. Fane*, 507 U.S. 761, 770-771 (1993). If the government "provides only ineffective or remote support for [its] purpose," the regulation may not be sustained. *Cent. Hudson*, 447 U.S. at 564.

None of the government's purported interests are "alleviated" by the immoral or scandalous provision. First, the provision is incapable of advancing the government interest of protecting public order and morality; the public is exposed to offensive content in many other contexts besides trademarks. Copyright law, for example, supports registration of all sorts of vulgar materials that may be considered offensive under the Lanham Act. *See Brunetti*, 877 F.3d at 1357 ("No doubt many works registered with the Copyright Office offend a substantial composite of the general public."); *Mitchell Bros. Film Group v. Cinema Adult Theater*, 604 F.2d 852 (5th Cir. 1979) (upholding copyright on pornographic film "Behind the Green Door" against an obscenity-based challenge; "[t]here is nothing in the Copyright Act to suggest that the courts are to pass upon the truth or falsity, the soundness or unsoundness, of the views embodied in a copyrighted work" (quoting *Belcher v. Tarbox*, 486 F.2d 1087, 1088 (9th Cir. 1973))).

Nor can the government interest of protecting the orderly flow of commerce be advanced through Section 2(a). Scandalous and immoral trademarks still can be used in commerce, and still can be protected against infringement, even absent federal registration.

Finally, if the government's objective is to avoid giving imprimatur to these marks, then Section 2(a) does not achieve such an interest. Even if trademark registrations were deemed a government imprimatur—which they are not, *Tam*, 137 S. Ct. at 1760—they would mean little to the general public who knows "no more about trademark registrations than a man walking down the street in a strange city knows about legal title to the land and buildings he passes." *Application of Nat'l Distillers & Chem. Corp.*, 297 F.2d 941, 949 (C.C.P.A.1962) (Rich, J. concurring); *see also Tam*, 137 S. Ct. at 1760 ("there is no evidence that the public associates the contents of trademarks with the Federal Government").

Moreover, because the terms "immoral" and "scandalous" are so inherently vague and inconsistently applied, Section 2(a) cannot possibly advance any government interest. *See Greater New Orleans Broad. Ass'n, Inc. v. United States*, 527 U.S. 173, 190, (1999) (where "regulatory regime is so pierced by exemptions and inconsistencies," it does not materially advance government interest). This inherent vagueness is a fatal constitutional flaw. The statutory text itself provides no guidance as to what either word means in this context. That lack of guidance cannot be cured by reference to any settled general meaning in the law, for neither "immoral" nor "scandalous" has any such generally accepted meaning. BLACK'S LAW DICTIONARY, for example,

simply refers to Section 2(a): It defines "scandalous subject matter" as a "word, phrase, symbol or graphic depiction that the U.S. Patent and Trademark Office may refuse to register because it is shockingly offensive to social mores." *Scandalous Subject Matter*, BLACK'S LAW DICTIONARY (10th ed. 2014). It also notes that, "[a]though the Lanham Act uses the phrase 'immoral, deceptive, or scandalous subject matter,' courts have not distinguished 'scandalous' from 'immoral.'" *Id.*; *see also Immoral*, BLACK'S LAW DICTIONARY (10th ed. 2014) (defining immoral as "[i]nconsistent with what is right, honest, and commendable," "[i]nimical to the general welfare," and "[n]ot following accepted standards of sexual behavior").[5]

Compounding the confusion, "immoral" and "scandalous" have been treated as interchangeable despite the basic principle of statutory interpretation that different words be given different meanings. *See, e.g.*, *Henson v. Santander Consumer USA Inc.*, 137 S. Ct. 1718, 1723 (2017) (when interpreting statutes, Court presumes differences in language convey differences

5. A useful contrast can be drawn to obscenity, where there is at least a settled framework for considering the issue. *See Miller v. California*, 413 U.S. 15, 24 (1973) (noting that state statutes designed to regulate obscene materials must be carefully limited and articulating a three-part standard for the trier of fact: "(a) whether the average person, applying contemporary community standards would find that the work, taken as a whole, appeals to the prurient interest; (b) whether the work depicts or describes, in a patently offensive way, sexual conduct specifically defined by the applicable state law; and (c) whether the work, taken as a whole, lacks serious literary, artistic, political, or scientific value)" (internal citations and quotation marks omitted). Section 2(a) of the Lanham Act casts a net far wider than prohibiting registration of only obscene marks.

in meaning); *Vonage Holdings Corp. v. F.C.C.*, 489 F.3d 1232, 1240 (D.C. Cir. 2007) ("we have repeatedly held that, '[w]here different terms are used in a single piece of legislation, the court must presume that Congress intended the terms to have different meanings'") (citation omitted). The PTO seems to have thrown up its hands: It generally applies the bar on "immoral" or "scandalous" marks as a unitary provision, without attempting to give independent significance to each word. Trademark Manual of Examining Procedure § 1203.01 (8th Ed. Oct. 2018) ("TMEP") (placing immoral matter and scandalous matter in the same category); *In re Brunetti*, 877 F.3d at 1336 (citing Gilson LaLonde & Gilson, *Trademarks Laid Bare: Marks That May Be Scandalous or Immoral*, 101 Trademark Rep. 1476, 1489 (2011) ("U.S. courts and the Board have not distinguished between 'immoral' and 'scandalous' and have focused on whether marks are scandalous or offensive rather than contrary to some accepted standard of morality.") (citation omitted)).

Not surprisingly, given the vagueness of the statute on its face, the PTO's efforts to develop a framework can fairly be described as simply a long list of words and concepts, one piled on the other, but all lacking in clarity. The PTO asks whether "a substantial composite of the general public" would find the mark scandalous, which it defines as "shocking to the sense of truth, decency or propriety; disgraceful; offensive; disreputable; . . . giving offense to the conscience or moral feelings; . . . or calling out for condemnation." *In re Fox*, 702 F.3d 633, 635 (Fed. Cir. 2012) (alterations omitted) (quoting *In re Mavety Media Group Ltd.*, 33 F.3d 1367, 1371 (Fed. Cir. 1994)). Alternatively, "the PTO may prove scandalousness by establishing that a mark is 'vulgar.'" *Id.* (citing *In re*

Boulevard Entm't, Inc., 334 F.3d 1336, 1340 (Fed. Cir. 2003)). Vulgar marks are those "lacking in taste, indelicate, [and] morally crude." *In re Brunetti*, 877 F.3d at 1336. The PTO must make its determination as to whether a mark is scandalous "in the context of contemporary attitudes" and "in the context of the marketplace as applied to only the goods described in the application." *Fox*, 702 F.3d at 635 (internal quotation marks and alterations omitted).

How a lone PTO examiner is supposed to measure "a substantial composite of the general public," or assess these various standards of decency and disgrace, is never articulated, nor could it be. It is no surprise, then, that "the Trademark Trial and Appeal Board has itself noted the vague and subjective nature of the scandalous inquiry." *In re Brunetti*, 877 F.3d at 1354 (citing *In re In Over Our Heads, Inc.*, 16 U.S.P.Q.2d 1653 (T.T.A.B. 1990) ("the guidelines for determining whether a mark is scandalous or disparaging are somewhat vague and the determination of whether a mark is scandalous or disparaging is necessarily a highly subjective one" (internal quotations and citations omitted))).

The real-world experience of INTA members confirms that the statute is a meaningless mess that cannot be rescued from its First Amendment failings:

- Nearly identical marks have been approved by one examining attorney and rejected as scandalous or immoral by another. *Compare, e.g.*, GOT MILF, Reg. No. 5,451,844 (registered for women's lifestyle blogs), *with* FROM SOCCER MOM TO MILF, App. Ser. No. 77/686,422 (filed Mar. 9, 2009) (application for self-help books for women refused

on grounds that mark was immoral or scandalous); CUM TOGETHER, Reg. No. 2,844,606 (registered for adult content but later expired for failure to renew) *with* YOU CUM LIKE A GIRL, App. Ser. No. 78/682,282 (filed Aug. 6, 2005) (application for tank tops and lingerie refused on grounds that mark was immoral or scandalous); and BOX-O-COCKS, Reg. No. 5,605,526 (registered for online novelty store), *with* COCK IN SOCK, App. Ser. No. 86/612,223 (filed Apr. 28, 2015) (application for adult sexual aid refused on grounds that mark was immoral or scandalous).

- Further examples are legion. *Compare, e.g.*, DICK-TEEZ, Reg. No. 5,351,420 (registered for clothing), *with* DICK SOCK, App. Ser. No. 86/459,649 (filed Nov. 20, 2014) (application for t-shirts refused on grounds that mark was immoral or scandalous); and BUZZED BEAVER, Reg. No. 4,812,818 (registered for liqueurs), *with* BEAVER SHOT, App. Ser. No. 85/619,824 (filed May 8, 2012) (application for energy drinks refused on grounds that mark was immoral or scandalous).

- As the Federal Circuit noted in *In re Brunetti*, the PTO has even been inconsistent with marks that reference the indisputably vulgar term "fuck," like the mark at issue here. 877 F.3d at 1354. The PTO registered the mark FCUK, Reg. No. 5,301,912 (registered for clothing), but rejected the marks FUCT, App. Ser. No. 85/310,960 (filed May 3, 2011) (for clothing) and F**K PROJECT, App. Ser. No. 79/141,996 (filed Oct. 18, 2013) (for leather goods), as scandalous.

- Derivatives of "fuck" likewise have met inexplicably different fates. It allowed the registration of MUTHA EFFIN BINGO, Reg. No. 4,183,272 (registered for restaurant services but later expired for failure to renew), and IF WE TOUCH IT, IT'S FN GOLDEN, Reg. No. 4,100,978 (registered for film production but later expired for failure to renew), but not F ALL F'S APPAREL FOR THE F'N ANGRY, App. Ser. No. 78/420,315 (filed May 17, 2004) (for clothing).

Countless words are innocuous in some contexts and provocative (sexually or otherwise) in other contexts. Ass, balls, beaver, boob, cock, dick, hump, or pussy are but a few examples. Yet the lines between an innocent usage, a permissible double entendre, and a usage so provocative as to be denied registration are so vague that they may as well be invisible. It is difficult to avoid the conclusion that examiners and their supervisors are simply left to make their own subjective determinations as to whether a mark is "immoral ... or scandalous." This total lack of authoritative construction of the statute is the opposite of constitutional. *See Dombrowski v. Pfister*, 380 U.S. 479, 490-91 (1965) (fatal vagueness can be avoided by "authoritative constructions [that] sufficiently illuminat[e] the contours of [the] otherwise vague prohibition.").[6]

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6. INTA acknowledges that individual PTO examiners are supposed to consult with their supervisors before determining that a proposed mark is immoral or scandalous. *See* TMEP § 1203.01. As demonstrated by the examples of inconsistent results noted above, this consultation process does nothing to solve the inherent subjectivity of the PTO's decision of whether a particular mark is impermissibly scandalous or immoral.

Accordingly, even if the Court assumes that the protection of the general public and the channels of commerce are legitimate purposes in the *Central Hudson* analysis, Section 2(a) plainly fails to advance those purported interests.

3. The Immoral Or Scandalous Provision Is Not Narrowly Tailored To Achieve The Desired Objective

Section 2(a) also fails the final *Central Hudson* prong, which commands that the restriction on speech be "no[] more extensive than necessary to serve the interests that support it." *Greater New Orleans Broad. Ass'n*, 527 U.S. at 188. Section 2(a) is facially overbroad: As noted above, the statutory language sweeps broadly enough to prevent registration of an enormous number of words that merely have a *potentially* sexual, excretory, or otherwise offensive meaning in a given context.

The PTO's approach to determining immorality or scandalousness does nothing to cure the overbreadth, nor could it. As noted above, PTO examiners and supervisors essentially are left to their own devices: In a word, the process is subjective. Determinations of immorality and scandalousness are very different from other determinations that examiners must make, in areas where their training and the objective nature of the evidence will control. *See e.g.*, 15 U.S.C. § 1052(a) (refusal of mark on basis of deceptiveness); 15 U.S.C. § 1052(d) (refusal of mark on basis of likelihood of confusion); 15 U.S.C. § 1052(e)(1) (refusal of mark that is merely descriptive); 15 U.S.C. § 1052(e)(2) (refusal of mark on basis of geographic significance).

The analysis required by the immoral or scandalous provision of Section 2(a), in contrast, does not fall within any civil servant's expertise. Whether a trademark is so "immoral" or "scandalous" that it should be disadvantaged in the marketplace is instead best decided by consumers voting with their wallets. As the Court has stated, "[a]t the heart of the First Amendment lies the principle that each person should decide for himself or herself the ideas and beliefs deserving of expression. . . . Our political system and cultural life rest upon this ideal." *Turner Broad. Sys., Inc.*, 512 U.S. at 641.

Given the "highly subjective" nature of the immoral or scandalous provision, the government fails the requirement under *Central Hudson* that any limitation on commercial speech be narrowly tailored. Importantly, invalidation of the immoral or scandalous provision in Section 2(a) does not deprive the government of all authority in this area. Congress still would be free to enact restrictions on trademark registration that are carefully targeted to address the few categories of speech where First Amendment protection is weakest or nonexistent. *See Ashcroft v. Free Speech Coalition*, 535 U.S. 234, 245-46 (2002) ("The freedom of speech has its limits; it does not embrace certain categories of speech, including defamation, incitement, obscenity, and pornography produced with real children.").

II. The Immoral Or Scandalous Provision Also Is Void For Vagueness

The vagueness of the immoral or scandalous provision in Section 2(a) also warrants a ruling that the provision is unconstitutionally vague. The Court has made clear that

a regulation of speech "raises special First Amendment concerns because of its obvious chilling effect on free speech." *Reno v. American Civil Liberties Union*, 521 U.S. 844, 871-72 (1997) (statute criminalizing transmission of "indecent" or "patently offensive" information over the internet to minors facially unconstitutional under the First Amendment) (citations omitted); *see also F.C.C. v. Fox Television Stations, Inc.*, 567 U.S. 239, 253-54 (2012) ("When speech is involved, rigorous adherence to [due process concerns] is necessary to ensure that ambiguity does not chill protected speech."). Indeed, "this requirement of clarity in regulation . . . requires the invalidation of laws that are impermissibly vague." *Fox Television Stations*, 567 U.S. at 253.

The test is simple: Where a statute fails to provide "a person of ordinary intelligence [with] fair notice of what is prohibited, or is so standardless that it authorizes or encourages seriously discriminatory enforcement," it is void for vagueness. *United States v. Williams*, 553 U.S. 285, 304 (2008). That the immoral or scandalous provision fails this test, just as it fails intermediate scrutiny, is plain from the discussion in Section I above.

This vagueness has severe consequences in the real world, especially for small business owners. A recent law review article confirmed that small businesses are disproportionately harmed by the current regime. *See* Carpenter & Garner, *NSFW: An Empirical Study of Scandalous Trademarks*, 33 Cardozo Arts & Ent. L. J. 321 (2015). The authors conducted an in-depth review of trademark applications for marks containing the words "bitch," "pothead," "shit," "slut" and "whore." They found that, with the exception of "shit," the PTO had

inconsistently registered marks containing each of these terms as a primary feature. *Id.* at 359. Small businesses, unlike large brand owners, often lack the resources to pursue an extended trademark prosecution, much less the arduous appeals process. *See id.* at 364 (noting that small business applicants frequently subjected to rejection under the immoral or scandalous provision were *pro se* and unlikely to respond to refusals). Frequently, an applicant abandons its trademark application once the examining attorney issues an office action rejecting a mark on "immoral ... or scandalous" grounds. *Id.* at 347 (noting that there was no response to office actions in 80% of rejections studied).

The Carpenter and Garner study underscores the practical need to strike down this unconstitutional law. As it currently stands, the immoral or scandalous provision leaves trademark owners to guess whether an investment in developing a particular mark is worthwhile, and disproportionately affects small business owners. By striking the provision, this Court will help to put businesses of all sizes on a level playing field.

III. The Trademark Registration System Is Not A Government Subsidy That Entitles The Government To Engage In Viewpoint Discrimination

A. Trademark Registration Does Not Implicate Congress's Powers To Spend Or Control Government Property

The Constitution's Spending Clause gives Congress broad discretion to tax and spend for the "general Welfare," including funding particular state or private

programs and activities. *See Agency for Int'l Development v. Alliance for Open Society Int'l, Inc.*, 570 U.S. 205, 213 (2013). The Court has recognized that Congress may impose conditions on the receipt of federal funds, even if such conditions "affect the recipient's exercise of its First Amendment rights," but may not "seek to leverage funding to regulate speech outside the contours of the program itself." *Id.* at 214-15. Although deciding how to categorize a particular restriction may be challenging, as in *Tam*, "no difficult question is presented" here because the trademark registration system does not implicate the Spending Clause. *See Tam*, 137 S. Ct.at 1761 (Alito, J., concurring).

As Justice Alito's plurality opinion in *Tam* recognized, the Court's cases upholding the constitutionality of government programs that impose restrictions on speech have involved either direct cash subsidies or the equivalent. *See, e.g., United States v. Am. Library Ass'n, Inc.*, 539 U.S. 194 (2003) (conditioning funding for libraries on the installation of filtering software did not violate First Amendment); *Nat'l Endowment for Arts v. Finley*, 524 U.S. 569 (1998) (statute requiring National Endowment for the Arts to consider, among other things, "general standards of decency and respect," in judging grant applications did not violate First Amendment); *Rust v. Sullivan*, 500 U.S. 173 (1991) (upholding as constitutional regulations prohibiting recipients of family planning funds from engaging in abortion-related services); *see also In re Brunetti*, 877 F.3d at 1345 ("[t]he Supreme Court has never extended the subsidy doctrine to situations not involving financial benefits" (quoting *Autor v. Pritzker*, 740 F.3d 176, 183 (D.C. Cir. 2014)).

In contrast, the trademark registration system "is nothing like the programs at issue in" the Court's government subsidy cases. *See Tam*, 137 S. Ct. at 1761 (Alito, J., concurring). As the Court's plurality decision in *Tam* correctly recognized, the trademark registration system actually involves the opposite of a government subsidy, namely the payment of money to the federal government, rather than by the federal government. *See id.*; *In re Brunetti*, 877 F.3d at 1344. In particular, an applicant must pay the U.S. Patent and Trademark Office an initial fee of $225-$600 when the application is filed, and once the registration issues the owner must pay an additional fee of $300-$500 every ten years to maintain it. *Tam*, 137 S. Ct. at 1761 (Alito, J., concurring). Since 1991, the fees paid by applicants and registrants have fully funded the direct operating expenses associated with the federal trademark registration system. *See id.*; *In re Brunetti*, 877 F.3d at 1344 (citing 35 U.S.C. § 42(c)(1)).

Because the trademark registration system does not implicate the federal government's power to spend or control government property, the Spending Clause cannot justify the rejection of supposedly "immoral ... or scandalous" trademarks under Section 2(a) of the Lanham Act.

B. Under The Government's Position, Any Government Registration Program, Including That For Copyrights, Would Provide The Government With Censorship Rights

The Government argues vainly, as it did in *Tam*, that the government subsidy cases are "not limited to circumstances involving the direct provision of government

money or control over physical property." Government Brief at 41. In support of this argument, it asserts that Justice Alito's plurality opinion in *Tam*, analyzing the Court's decisions in *Davenport v. Washington Ed. Ass'n*, 551 U.S. 177 (2007), and *Ysursa v. Pocatello Ed. Ass'n*, 555 U.S. 353 (2009), confirmed that the Federal Circuit erred "in treating precedents related to government programs as limited to Spending Clause legislation or physical property." Government Brief at 43. The Government's reliance on the plurality decision in *Tam* is mistaken, for several reasons.

First, the plurality in *Tam* expressly concluded that *Davenport* and *Ysursa* provided no support for the Government's position because they are wholly irrelevant to the trademark registration system. *Tam*, 137 S. Ct. at 1762 (Alito, J., concurring). As Justice Alito explained in *Tam*, those two decisions involved "a special area of First Amendment case law" that is "far removed" from the trademark registration system and no more relevant than are the government subsidy cases. *Tam*, 137 S. Ct. at 1761-62, 1762 n.15 (Alito, J., concurring). In particular, they involved situations where a state government provided unions with a significant non-cash benefit (the right to have public employers collect agency fees from employees and remit those fees to the union) but refrained from providing an even greater benefit (the right to collect dues for use in connection with election or political action committee activities), thus choosing to promote some activities but not others. *Id.* at 1762. No such non-cash benefit is at issue with respect to the trademark registration system, where the activities in question are funded by the applicants and registration owners. *In re Brunetti*, 877 F.3d at 1344.

Moreover, as the Court noted in both *Davenport* and *Ysursa*, unions have no constitutional right under the First Amendment in government assistance for the collection of fees for election or political activities. *See* 551 U.S. at 189-90; 555 U.S. at 359. That is very different from the situation here, where First Amendment rights are unambiguously implicated. *See Tam*, 137 S. Ct. at 1760 (finding trademarks are private speech and thus subject to First Amendment protection).

Second, setting aside *Davenport* and *Ysursa*, the Government's argument that the Spending Clause applies to registration systems even where there is no direct government spending ignores the fact that virtually every government service, including other government registration schemes such as the federal copyright registration system, involves the expenditure of government funds. *Id.* at 1761. As the Court noted in *Tam*, there is no principled basis for treating copyrights differently from trademarks. *Id.* at 1760, *aff'g In re Tam*, 808 F.3d 1321, 1346 (Fed. Cir. 2015) (noting that "[c]opyright registration has identical accoutrements" to trademark registration). Thus, under the Government's approach, every registration system, including the copyright system, also would be subject to government censorship.

That is not the law. As the Court expressly recognized in *Agency for International Development*, even where the government *is* expending resources, which even the Government does not argue is the case here, Congressional authority under the Spending Clause is not unlimited and does not justify every government restriction on First Amendment rights. *See* 570 U.S. at 214. Because

the Government's argument recognizes no limitation on government censorship, it is untenable and should be rejected here just as it was in *Tam*.

CONCLUSION

For the foregoing reasons, the Court should affirm on the basis that trademarks are commercial speech, that governmental regulations thereof are subject to intermediate scrutiny, and that the immoral or scandalous provision of Section 2(a) of the Lanham Act is unconstitutional by that standard.

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